

(b) An eligible applicant, as defined in paragraph (a) of this section, shall operate in an area that is either:

(1) An ozone or carbon monoxide non-attainment area as specified under section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)); or

(2) A maintenance area for ozone or carbon monoxide.

[72 FR 15052, Mar. 30, 2007]

#### § 624.3 Eligible activities.

(a) Eligible activities include purchasing or leasing clean fuel buses and constructing new or improving existing public transportation facilities to accommodate clean fuel buses.

(b) The term “clean fuel vehicle” means a vehicle that—

(1) Is powered by—

(i) Compressed natural gas;

(ii) Liquefied natural gas;

(iii) Biodiesel fuels;

(iv) Batteries;

(v) Alcohol-based fuels;

(vi) Hybrid electric;

(vii) Fuel cells;

(viii) Clean diesel, to the extent allowed under this section; or

(ix) Other low or zero emissions technology; and

(2) The Administrator of the Environmental Protection Agency has certified sufficiently reduces harmful emissions.

(c) Eligible projects are the following:

(1) Purchasing or leasing clean fuel buses, including buses that employ a lightweight composite primary structure, and vans for use in revenue service. The purchase or lease of non-revenue vehicles is not an eligible project.

(2) Constructing or leasing clean fuel bus facilities or electrical recharging facilities and related equipment. Facilities and related equipment for clean diesel buses are not eligible.

(3) At the discretion of the Administrator, projects relating to clean fuel, biodiesel, hybrid electric, or zero emissions technology buses that exhibit equivalent or superior emissions reductions to existing clean fuel or hybrid electric technologies.

(4) The Federal share for eligible activities undertaken for the purpose of complying with or maintaining compliance with the Clean Air Act under this program shall be limited to 90 percent

of the net (incremental) cost of the activity.

(i) The Administrator may exercise discretion and determine the percentage of the Federal share for eligible activities to be less than 90 percent.

(ii) An administrative determination per this subsection will be published in accordance with § 624.5(a).

(5) Funding for clean diesel buses shall be limited to not more than 25 percent of the amount made available each fiscal year to carry out the program.

(6) Any amount made available for this section shall remain available to an eligible activity for two years after the fiscal year for which the amount is provided. Any amount that remains unobligated at the end of the three-year-period shall be added to the amount made available to carry out the program in the following fiscal year.

[67 FR 40104, June 11, 2002, as amended at 72 FR 15053, Mar. 30, 2007]

#### § 624.5 Application process.

(a) FTA shall publish a Notice of Funding Availability in the FEDERAL REGISTER each fiscal year that funding is made available for the Clean Fuels program. The notice shall provide the criteria by which the eligible projects will be evaluated for selection and the Administrator's determination of the net Federal share for projects funded under this Part.

(b) The Administrator shall determine the criteria for selecting proposed projects for funding, which may include, but are not limited to the following factors:

(1) Whether the proposed project is a transportation control measure in an approved State Implementation Plan;

(2) The benefits of the proposed project in reducing transportation-related pollutants;

(3) Consistency with the recipient's fleet management plan;

(4) The applicant's ability to implement the project and facilities to maintain and fuel the proposed vehicles;

(5) The applicant's coordination of the proposed project with other public transportation entities or other related